

26

WISCONSIN	NATIONAL ACCOUNTS, INC.	JUDGMENT	11/09/96	\$45,000 COSTS AND RESTITUTION
WISCONSIN	WINSTAR GATEWAY NETWORK	ASSURANCE	9/11/96	\$30,000 COSTS AND RESTITUTION

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AUG-06-1997 16:36 FROM

TO

812177821097

Sweepstakes Clearinghouse1555 Regal Row
Dallas, Texas 75247

You are Guaranteed to Win \$10,000.00 if your prize claim no. matches one of the preassigned winning numbers. No purchase necessary. By following the instructions on your Certificate and responding with the winning number, your name will appear on our next partial Winner's list as shown to the right.

This Official Notice is only sent to confirmed award designees. There is absolutely no purchase required. To claim your prize follow the instructions on your Official Certificate of Award below.

TIM ADKINS

\$10,000.00 OR

OTHER PRIZE

ALETHA STIERHALT, SULLIVAN, IN \$10,000

GILBERT BURSE, DENVER, CO \$1,000

VOID AFTER: 04/03/97

THE SUM 10,000 DOLS 00 CTS

Dollars	Cts
\$ 10,000	00

To the
order of:

TIM ADKINS
7703 WATERWOOD DR
INDIANAPOLIS IN 46214-4040

65



Authorized Signature

Series LDR LBA22 No. 4031 0431 2919

TCV-27-472

NON-NEGOTIABLE
NOT A CHECK**CERTIFICATE OF AWARD**

Sweepstakes Clearinghouse
Prize Notification Dept.
1555 Regal Row
Dallas, Texas 75247

PRIZE CLAIM NO.
4031 0431 2919

Official Sweepstakes Clearinghouse Award Recipient
TIM ADKINS

*This is your Official Notification that you have definitely been awarded
120 minutes of free long distance and you may have already won one of the other prizes
listed below - you must claim them immediately!*

PRIZES

- \$10,000.00 CASH PRIZE
- \$1,000.00 CASH PRIZE
- \$100 U.S. SAVINGS BOND
- Plus
- YOUR 120 MINUTES
- FREE LONG DISTANCE AWARD

(odds of winning and official rules on reverse side)

TO CLAIM YOUR PRIZE

No purchase necessary! Simply sign and complete below and return your certificate in the enclosed envelope. All prizes will be confirmed and awarded as soon as we receive this claim certificate.

- (CHECK ONE)
- ☐ Yes! Process my claim for my free 120 minute long distance award (two hours), through TiresCom U.S.A. pursuant to the official rules, and also for the \$10,000.00 Cash Prize, as well as for any of the other prizes I may have already won. I understand there is no purchase necessary to convert to TiresCom U.S.A. and use my free long distance award. U.S. Savings Bond prizes are issued in winner's name, and cash prizes may be spent without restriction.
- ☐ No. I do not want to take advantage of my free long distance award, and I release my claim therefor, so you may award it to someone else instead — but let me know if I win one of the other cash prizes anyway.

IMPORTANT: COMPLETE AND RETURN THIS ENTIRE CERTIFICATE WITHOUT DELAY OR YOU WILL FORFEIT YOUR AWARDS

NO. 4031 0431 2919

TIM ADKINS
7703 WATERWOOD DR
INDIANAPOLIS IN 46214-4040

Signature*: _____	Today's Date ____/____/____	Your Birth Date ____/____/____
Home Phone (____) _____		

*please read terms on reverse before completing

COMPLETE AND RETURN WITH CERTIFICATE IN THE ENCLOSED ENVELOPE BEFORE: APR 4

107 107 - 10 10 15

OFFICIAL RULES: NO PURCHASE NECESSARY. Make any necessary corrections to your name and address as they appear on your Certificate of Award and return with any requested documents in the preaddressed envelope provided. Cash prizes are issued only after identity verification. Eligibility is based upon matching preassigned prize claim number(s) to the number(s) on this certificate. Prior to the distribution of this certificate the odds of winning for each sweepstakes number issued were established as follows: \$10,000.00 Cash, 1:1,000,000; \$1,000.00 Cash, 1:100,000; \$100.00 U.S. Savings Bonds, 1:10,000; 120 Minutes of Free Long Distance, 1:1. Cash prizes may be spent without restriction. U.S. Savings Bonds are issued in winner's name or winner's designee.

The 120 minutes of free long distance calling time (two hours) is provided as a separate giveaway award to all respondents, except those who decline, through TresCom U.S.A., Inc., a wholly owned subsidiary of TresCom International, Inc., the fifth largest international long distance carrier in the nation. This offer subject to their approval. There is no monthly charge, no minimum requirements and no extra numbers to dial. The 120 minutes of *free long distance* time is provided at sixty minutes in the *third month* and another sixty minutes in the *sixth month* of TresCom service. Respondents may convert back to present carrier at any time, with no obligation whatsoever. Respondents may also choose to use AT&T service at any time by dialing 102831 plus the area code and number, but please be aware that AT&T rates may run up to twice as much as your preferred TresCom rates. Those claiming their free long distance award authorize TresCom to confirm to their current carrier their selection of TresCom as primary long distance carrier. TresCom assures the *special long distance rate of only 10 cents per minute*, which applies to all interstate calls weekday evenings, after 5pm, and weekends, fri. 5pm to mon. 8am. The 120 minutes of free long distance time is based on interstate calls placed evenings and weekends. There are no other calls or purchases of any kind necessary to use your free 120 minutes of long distance time. On weekdays, from 8am to 5pm peak rates of a maximum of just 16 cents per minute apply. Intrastate rates may vary slightly. This free long distance giveaway is valid for new TresCom customers only and it is intended to promote both the awareness of TresCom U.S.A., Inc., and their special 10 cents per minute long distance rate.

Must be U.S. Citizen age 18 or older. Void where prohibited. Sweepstakes not open to employees and their families of all participating sponsor companies, their affiliates and suppliers. All SCH decisions are final. Customer service no. 214-630-5300. Facsimiles of this official sweepstakes certificate are prohibited, as are those which are illegible, illegitimately obtained or tampered with. The sweepstakes will end by December 31, 1997 and any replies must be postmarked before that date. Not responsible for printing errors, nor for lost, late, postage due or misdirected mail. Sweepstakes may be sponsored by various independent businesses, all of whom share in the total cost; and other variations of this offer, with different creative presentations, means of entry, names or themes may be used within this or equivalent prize structure from time to time. Winners may be asked to sign an affidavit of eligibility and to provide social security number. Taxes are the sole responsibility of winners. For an official list of major sweepstakes prize winners upon the program ending date write to Sweepstakes Clearinghouse, 1535 Regal Row, Dallas, Texas 75247-3631. Unclaimed prizes not distributed. Please note that there is no affiliation, direct or implied, between AT&T and this special promotion.

AT&T is a registered trademark of AT&T Corp.

As the Free Long Distance Award Recipient identified on reverse, I confirm the selection of TresCom as primary long distance carrier for my designated number shown, and authorize them to confirm same to current carrier. It is understood that there is only one primary interstate carrier per number, and there is no charge whatsoever to me for this selection - no minimum, no monthly charge, no purchase necessary.

NOTE: PLEASE BE SURE YOU HAVE FILLED IN ALL REQUESTED INFORMATION ON REVERSE.

Minimum Rate Pricing, Inc. Script

Who:

Hello. Is this Mr./Mrs. _____? I need to speak to Mr./Mrs. _____. Is that you sir/ ma'am?
I'm a Notifying Operator with Minimum Rate Pricing, Inc. long distance service.

What:

This is just a good news notification call for credit preferred AT&T, MCI, and Sprint users notifying you of new Minimum Rate Pricing tariffs filed. Starting next month a 25% peak rate discount will now be available to you on all your long distance calls billed on your local phone bill!

Why:

Sir/ Ma'am this is not a temporary rate reduction. This is an on going FCC authorized savings in how your long distance calls will be rated. The plan is called "Minimum Rate Pricing, Inc." - you may want to write that down.

What's happened is that under FCC rules AT&T, MCI, Sprint, and Wiltel must allow the "minimum rate pricing" of your calls so that you're no longer limited to a major carrier's rates and expensive surcharges. With minimum rate services your calls will automatically rate via the cheapest carrier rates available so you get the lowest cost of calling for your long distance calls billed on the local phone bill.

Now, Sir/ Ma'am, you need to be spending an average of at least \$10 per month to receive this limited offer. Do you average \$10 per month in long distance? Great!

How:

Now, are you already billed on the local bill for your long distance charges or do you receive a separate long distance bill? OK, great! Under Minimum Rate Pricing your underlying carrier either AT&T, MCI, Sprint, or Wiltel will be automatically selected for you and all your calls will be consolidated with the local phone bill so you have the ease and convenience of just one check to write!

Now, I show the following information for you: (data Gathering Part of Script)

CONFIRM: Name on the lead. Address on the lead. BTN on the lead. Then ask the customer for the additional WTN's, fax and modem. Then ask if they have any additional BTN's. If so, get all that information. Write it on the BTN order form. Get the exact phone usage for each BTN.

When:

Now, all I need to do to activate your 25% discounted service will be to get my supervisor and he/she will verify the information we just went over. He/She will be taping it for accuracy, please let him/her know if he/she makes a mistake it only takes a minute.

GO TO VERIFICATION SCRIPT NOW: DON'T FORGET TO TURN ON THE TAPE

Minimum Rate Pricing, Inc. Script

Who:

Hello, I would like to speak with the person who makes decisions regarding your company's long distance service.

What:

Hello, this is _____ with Minimum Rate Pricing Inc. Long Distance Service. I'm calling in regards to our discounted long distance program which utilizes the AT&T, MCI, Sprint or Wiltel long distance networks. Due to our tremendous purchasing power, we are able to guarantee our customers a 25% peak time discount off the major carrier's rates without restrictions!

Why:

The plan is called Minimum Rate Pricing because at all times you will be receiving the greatest billing discounts available through Minimum Rate Pricing's LEAST COST RATING. This guarantees that each long distance call you make will be rated over a major carrier's network pricing at a 25% peak time discount. How does that sound? Great!

In order to set up your new Minimum Rate Pricing account, I need some information:

How:

Now, are you already billed on the local bill for your long distance charges or do you receive a separate long distance bill? OK, great! Under Minimum Rate Pricing your underlying carrier either AT&T, MCI, Sprint, or Wiltel will be automatically selected for you and all your calls will be consolidated with the local phone bill so you have the ease and convenience of just one check to write!

Now, I show the following information for you: (data Gathering Part of Script)

CONFIRM: Name on the lead. Address on the lead. BTN on the lead. Then ask the customer for the additional WTN's, fax and modem. Then ask if they have any additional BTN's. If so, get all that information. Write it on the BTN order form. Get the exact phone usage for each BTN.

When

Now, all I need to do to activate your 25% discounted service will be to verify the information we just went over. I will be taping it for accuracy, please let me know if I make a mistake, it only takes a minute.

GO TO VERIFICATION SCRIPT NOW: DON'T FORGET TO TURN ON THE TAPE!

VERIFICATION SCRIPT - Transcription of an Actual Verification Call Involving
A Pennsylvania Consumer

Telemarketing Sales Representative - This is Tony (Subscriber's last name deleted)
I am Craig (Telemarketing Sales Representative's last name) with IBW 10% bonus with
(Subscriber's name). No complaint, huh Terry? (Subscriber misidentified as Terry rather than
Tony)

Subscriber - No complaint.

Verification Representative - I would like to verify that you are the authorized person to make
decisions regarding long distance service for (Subscriber's billable telephone number).

Subscriber - Right.

Verification Representative - Are you selecting (long distance company) to be your long distance
carrier?

Subscriber - *Ya, that's what we have now.* (emphasis added).

Telemarketing Sales Representative - No problem!

Verification Representative - For verification, may I have your date of birth.

Subscriber - 3/6/(year of Subscriber's birth).

Verification Representative - Thank you for your time Terry (Subscriber misidentified as Terry
rather than Tony) have a nice day.

Telemarketing Sales Representative - Ah, Terry (Subscriber misidentified as Terry rather than
Tony) that's all I need.

END OF CALL

VERIFICATION SCRIPT

Rep - Verification this is (Rep) .

Rep - This is (Associate Name) , agent # . I have (Customer) on line and his/her is () .

Rep - Thank you, (Associate Name) , Mr./Ms (Customer) this is to verify that you are the authorized person to make decisions regarding the long distance service for (Customer's) , is that correct ?

IF NO: I'm Sorry (Associate) , at this time I am turning this call back over to you.

IF YES: And are you selecting to be your long-distance carrier?

IF NO: Use the NO Script above.

IF YES: For verification purposes, may I have your date of birth, please. (or your mothers maiden name?)

Rep: Thank you for your time and have a nice Day/Evening/Night .

Call is disconnected at this time.

CONFIDENTIAL

The Furst Group Verification Script (SDN)
(1/20/95)

Hello _____, I'm _____
with the Verification and Quality Control Department of (Third Party Company).

How are you today?

I'm just calling to confirm the order you discussed with _____ of
The Furst Group concerning the Software Defined Network Rate Plan. This plan guarantees your
long distance will be 100% on the AT&T network. O.K.? (**NOTE** If at this point there is
any question in the customer's mind as to who The Furst Group is or about our relationship with
AT&T, you are required to fully explain that The Furst Group is an independent reseller of AT&T
long distance. Refer to questions and answers)

Do we have your approval to confirm your account information on tape today? _____
(Wait for response). You'll receive an information package shortly outlining the program, alright?

First of all, today's date is _____ and we have your physical address
as _____ and your billing address is _____

You are _____ and what is your title please? _____
_____ and you have the authority to make decisions regarding your long
distance services, right? (Wait for response).

(Note: If someone other than the person who has authority is to be recorded, have them state on
tape that _____ gave permission to verify and approve the order.)

Name of duly authorized person

You are therefore giving your monthly usage to be? That's all true long distance, not local long
distance, correct?

We have your local telephone company as _____ and I see that
you only receive _____ bill(s) a month from them. The name on that bill is
_____.

We have your numbers as _____ and your fax number is
_____.

SDN Verification (1-20-95)

Do you have any accounting codes or services with any other carriers that we need to know about? Do you have any long term contracts with AT&T (MCI, Sprint, etc.) or other long distance carriers or are you just month to month? Do you have an 800 number?

(If customer says they do have an 800 number, please ask if inbound and outbound billing is consolidated or separate. If the customer says it is consolidated and the 800 order and bills are not attached, **DO NOT PROCEED**. Return the order to the salesperson. The customer will not be happy with separate billing. If the billing for the 800 number is separate, you can continue verifying the outbound service. The salesperson can call back later about the 800 service).

When 800 Order Form is Attached

I see you have an 800 number. It is _____ and I see this rings onto _____. (Usually rings onto the first number in the rotary hunt group, BUT not always).

Do you want a consolidated billing for your outbound and inbound service?

If YES: You will now be receiving the Uni-Wats billing and your interstate rates will be _____. (Note: Also give intrastate rates, but only if asked).

If NO: You will receive an approximate 18-24% discount on your outbound service and 23% off AT&T Readyline base rates.

Check if customer requires 800 Directory Assistance and 800 Service Directory.
(Note: Most customers want Directory Assistance but not the Service Directory listing)

You do understand that there is a normal \$5 monthly fee for this service? _____ (Wait for response). If the customer is ordering 800 service, the \$20 MRC needs to be mentioned.

In approximately 2 months, you will probably notice a one time charge on your local telephone bill. This is a Pic Code Fee. This charge is for putting you on AT&T's 732 SDN Network through The Furst Group. It will total approximately \$ _____ (\$3 to \$5 per line. Give them an estimate). Simply fax or mail a copy of the page(s) reflecting those charges to The Furst Group and they will adjust your bill.

CONFIDENTIAL**SDN Verification (1-20-95)**

Would you be interested in calling cards?

(Do not offer them to customers using less than \$100 of long distance calling per month or if their calling cards were issued by the LEC. However, if the customer using less than \$100 per month mentions calling cards, the customer may order them. A maximum of 10 cards may be offered unless a copy of the calling card usage is submitted showing reasonable usage).

If YES: How many calling cards do you need? _____ A calling card form will be mailed to you. It's something that I do require a signature on to protect you against fraud. Also, please return the form with a business letterhead or business card. This is needed for provisioning.

If NO: Customer Service will check back with you once you have gone on-line.

And finally, just to verify that you are the real _____ at _____, would you please give me either your middle name or birth date?

You will receive a welcome brochure in about two weeks. If you have any questions, please give The Furst Group a call at the 800 number which will be included in the information package you receive. You will recognize the new bill when you see it - that will be in about 6 to 8 weeks. You will see AT&T Bill Manager at the top right hand corner and The Furst Group on the left. Then you will know that the discounts have taken effect.

Thanks for taking the time with me and, just as a reminder, we have taped this conversation for your approval.

CALIFORNIA PUBLIC UTILITIES COMMISSION
Carole Kretzer, Information Officer
State Office Building, 107 So. Broadway
Los Angeles, Ca. 90012

Phone: (213) 620-2240

FOR IMMEDIATE RELEASE

Pacific Bell customers who subscribed to phone service, or changed their services, and who are paying for phone services they never ordered or authorized are eligible for refunds, with interest.

Any of the utility's residential customers who paid an \$80 deposit since Sept. 1, 1985 due to Pacific Bell's incorrect application of its tariff filed with the state Public Utilities Commission (PUC), are eligible for refunds.

Also, Pacific Bell customers who would have qualified for Universal Lifeline phone service but who, perhaps unknowingly, chose more expensive service during this period are eligible for refunds.

In its latest action related to Bell's sales practices, the PUC today adopted a plan by which Pacific Bell will make refunds to customers who have paid for phone services they did not authorize.

The customer refund procedures the Commission adopted today grew out of workshops directed by the PUC on May 28. Workshops were coordinated by the PUC's Evaluation and Compliance staff. Workshop participants were Pacific Bell; the PUC staff; Public Advocates, a San Francisco-based public interest law firm; Centex Telecommunications; Toward Utility Rate Normalization, a San Francisco-based consumer group, and PUC Consumer Affairs representatives. All workshop participants agreed to the refund procedure adopted by the PUC today.

Commenting on the consensus reached by workshop participants on how to implement the PUC's March 28 directive that Pacific Bell make appropriate refunds to customers, PUC President Don Vial said: "Speaking for the PUC, I commend the workshop participants for their fine effort in achieving a speedy, but carefully-crafted resolution of the many difficult and contentious issues presented to them."

(more)

Under the adopted customer notification and refund plan, Pacific Bell will notify customers who may have been affected by the utility's marketing practices of their right to a refund, and refund to them, with interest, or make appropriate credits to their phone bill, amounts customers paid for unwanted phone services. In doing this, Pacific Bell will describe to customers the phone services for which they are now paying and give them an opportunity to remove services they do not want.

The utility will also develop simpler telephone bills that will itemize specific services for which customers are paying, and give them a regular opportunity to verify and evaluate the telephone services they receive.

Finally, today's PUC order directs the utility to file plans it will follow to better educate its employees on proper administration of California's Universal Lifeline Telephone service, (available to low income customers for as little as \$1.48 per month in most areas.)

Early this Spring the Commission staff investigated the utility's marketing practices and found the company in violation of the PUC Code, Pacific Bell's tariffs filed with the PUC, and certain PUC General Orders because it was, among other things:

- O violating a section of the PUC Code by conducting an unauthorized trial program relating to "enhanced" phone services,
- O violating a rule in its tariff filed with the PUC through its "package selling" efforts by failing to properly provide customers with price quotations that fully itemize fixed and recurring charges for the services and equipment customers requested, and
- O violating a PUC General Order which sets out the procedure for administering the Moore Universal Telephone Service Act.

On May 16, the PUC held a hearing on its Order to Show Cause why the PUC should not order Pacific Bell or any of its employees to cease and desist from abusive sales practices.

The upshot of that hearing was a ruling by PUC Administrative Law Judge Lynn Carew that Pacific Bell continue its ongoing efforts to discuss short-term remedies with parties to the proceeding, pending further direction from the PUC on May 28.

(more)

3-3-3-Pacific Bell Refunds

On May 28 the PUC issued a Cease and Desist Order and directed its staff to convene workshops to arrive at methods to notify customers and make appropriate refunds.

A major element of that May 28 order was that Pacific Bell was to engage in a crash educational program to teach its managers and sales representatives about basic telephone services at affordable rates made possible by the Moore Universal Telephone Service Act of 1984.

The workshops were held June 11 and 13.

Under the plan adopted today, Pacific Bell will:

- 0 notify all of its customers who may have been affected by its sales practices of their right to a refund, with interest, of amounts they paid for unauthorized or
- 0 verify for each customer the basic services to which he or she currently subscribes,
- 0 notify customers of their opportunity to correct any errors Pacific Bell made and to obtain appropriate credits or refunds.

Highlights of the notification and refund program adopted by the PUC today are that:

- 0 Pacific Bell will accept the customer's word that services billed were not authorized,
- 0 Pacific Bell will handle each case on an individual basis,
- 0 Pacific Bell will remove immediately services its customers do not want, and the period being adjusted will reflect the circumstances of each individual case,
- 0 Pacific Bell will advise customers that it will apply interest to all refunds and adjustments,
- 0 Pacific Bell will offer a refund check if the credit exceeds the customer's average monthly bill, or if he asks for a refund check,
- 0 Once a customer asks to have an existing service removed, Pacific Bell employees will not discuss optional or additional services unless the customer asks for them. Pacific Bell will reinforce the notion that it intends customers to retain only the services they actually want,

(more)

4-4-4-Pacific Bell Refunds

- O Pacific Bell customer representatives are to verify the customer's understanding of basic service options, offer a breakdown of the new monthly service rate, and
- O Customer Representatives will refer any customer who is displeased with the refund or adjustment to the appropriate higher line of management.

The PUC order requires that Pacific Bell shareholders bear the cost of the refund program. The order does not rule on a \$49.5 million penalty recommended by the PUC's Public staff for the utility's abusive sales practices. Resolution of this issue is deferred to a future decision.

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FROM: PUC-CONSUMER AFFAIRS TO: [REDACTED]
Carole Kretzer, Information Officer
State Office Building, 107 So. Broadway
Los Angeles, Ca. 90012

Phone: (213) 620-2240

FOR IMMEDIATE RELEASE

The California Public Utilities Commission today issued an emergency order requiring Pacific Bell to remedy alleged abusive sales practices.

Following numerous customer complaints and a highly critical staff report, the PUC took the unusual action of requiring immediate interim resolution of problems currently being reviewed in Pacific's rate case. Among the problems cited by the PUC order are:

- 0 Failure to provide customers with a full itemization of monthly and one-time charges applicable to residential services;
- 0 Failure to waive the deposit for connecting Lifeline service customers, as required by Pacific's tariffs;
- 0 Requiring deposits of residential customers who are not, under Pacific's tariffs, required to make them; and
- 0 Adding services and associated charges to residential customers' bills without customer authorization.

Today's order requires Pacific to show why it should not immediately remedy these sales practices, bring their sales practices in line with the tariffs and orders of the PUC, and provide customers with an opportunity to verify the services they have and discontinue those options they do not want.

In reviewing the matter, PUC President Donald Vial commented that "we cannot permit the public's confidence in Pacific, as a provider of monopoly services, to be undermined by sales practices. If the allegations are true, they are not only serious tariff violations, they amount to a breach of public trust.

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2-2-2-2-PacBell Practices

"The commission has worked hard to keep basic exchange rates low in the face of national policies which shift more network costs onto the local exchanges. We do not want those basic rates to be obscured by Pacific efforts to promote optional services.

"Our action is not intended to prejudge rate case issues, but to increase customer awareness of services they have and to discontinue services they did not intend to order."

The commission has scheduled a one-day hearing on today's order on May 16 in San Francisco.

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FROM CPUC-CONSUMER AFFAIRS... TO 100314501
CALIFORNIA PUBLIC UTILITIES COMMISSION
Carole Kretzer, Information Officer
State Office Building, 107 S. Broadway
Los Angeles, CA 90012

030-February 23, 1990
REC 12 '94 15:22

Phone: (213) 620-2240

CONTACT: Dianne Dienstein, San Francisco (415) 557-3914

FOR IMMEDIATE RELEASE

FINAL REPORT OF CUSTOMER MARKETING OVERSIGHT COMMITTEE

The California Public Utilities Commission (CPUC) today adopted final recommendations of the Customer Marketing Oversight Committee (Committee) regarding Pacific Bell's (Pacific) marketing practices, lifted the ban on "cold-selling" telecommunications services, and referred the Committee's recommendation to clarify eligibility for Universal Lifeline Telephone Service to the CPUC's Lifeline proceeding. The Committee's work is done and its term has ended.

Following an investigation into Pacific's marketing activities, in 1986, the CPUC determined that Pacific had violated several provisions of the Public Utilities Code (Code) and ordered the utility to: stop those activities, refund overcharges to affected customers (as of January 1989, Pacific had refunded \$63 million to residential and small business customers at a cost of \$15.8 million to shareholders), and pay a \$16.5 million penalty (derived entirely from shareholders) to fund educational programs to help consumers make informed choices about telecommunications services and equipment options.

In addition, a "Customer Marketing Oversight Committee" was established to ensure that Pacific's future marketing practices would comply with the Code. The Committee was composed of utility industry representatives, Pacific Bell managers and employees, CPUC staff, consumer groups, residential and business telephone customers, senior citizens, and representatives of minority communities served by Pacific.

The Commission directed the Committee to look at: what incentives and quotas Pacific imposed on its employees selling phone services to residential and business customers; trial offerings of services; renaming and packaging of services; how deposits were administered; how Universal Lifeline Telephone

(more)

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service was administered; and cold-selling telemarketing. The Commission also asked the Committee to suggest safeguards to prevent future marketing problems.

In a report it submitted to the Committee, Pacific detailed corrective steps it had taken to ensure compliance with the Code. In addition, Pacific established an Advisory Council on Ethics, an Ombudsman, implemented expanded ethics training for its employees and established: a new sales quota policy, itemized billing, confirmation letters to customers ordering new services, and quality control checks.

The Committee approved Pacific's selection of an independent research firm to "provide an independent, objective, on-going 'audit' of Pacific Bell representatives' handling of calls that result in some type of service order activity to [ensure] that customers are (1) not being pressured into taking services they do not want or need, (2) not receiving services they do not want or did not order, and (3) being told about the availability of Universal Lifeline Service if they are [new customers] and qualify for the service."

The audit will be done quarterly for the next five years and will be monitored by the CPUC to ensure that the internal safeguards Pacific has implemented continue to be effective. The first audit will cover the first quarter of 1990 and is due on or before May 31 of this year. The costs of the audit will be borne by Pacific's shareholders.

Pacific Bell must file each audit in the on-going 'forum' proceeding, established today by a separate Commission decision, which will allow customers, competitors, and others to raise issues regarding regulation of Pacific Bell which previously would have been raised in general rate cases. In addition, Pacific must provide each report to parties to this case and to the former members of the Customer Marketing Oversight Committee.

The Committee also recommended clarification of the circumstances under which a household participating in the Universal Lifeline Program can have an extra telephone number and service, and this will be considered as part of the CPUC's separate ongoing proceeding focusing on lifeline service.

CALIFORNIA PUBLIC UTILITIES COMMISSION
Carole Kretzer, Information Officer
State Office Building, 107 So. Broadway
Los Angeles, Ca. 90012

19-February 11, 1987

Phone: (213) 620-2240

FOR IMMEDIATE RELEASE

Beginning March 1, Pacific Bell will provide its residential customers monthly bills which itemize each charge on the bill. The California Public Utilities Commission issued the order as a result of its investigation into Pacific's marketing practices.

The most significant change in the billing itemization is the explicit categorical distinction between basic services and optional services. Basic service includes flat rate, measured, or lifeline services. Optional services include Touchtone, Unlisted Telephone, Call Bonus and Call Waiting.

Other charges which are already itemized and will continue to be itemized include the Federal Communications Commission access charge, rate surcharge, state regulatory fee, Communication Devices Funds for Deaf and Disabled, taxes, and late charges.

On an interim basis, Pacific is authorized to include Foreign Exchange Service monthly charges under basic services and Foreign Exchange Service mileage charges under optional services. The PUC granted the authorization with the condition that Pacific file, no later than June 30, to effectively include both Foreign Exchange Service charges under optional services.

Today's resolution also directs Pacific to submit, no later than April 1, a specific plan to itemize billing for its business customers. April 1 is also the beginning date for quarterly reports that Pacific must submit to determine if there is a need to inform Call Bonus residential customers of whether or not they benefit from any of the Call Bonus plans, based on their actual toll usage patterns. The resolution, unanimously adopted today by the PUC, is effective immediately.

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STATE OF WISCONSIN
DEPARTMENT OF JUSTICE

DONALD J. HANAWAY
ATTORNEY GENERAL

Mark E. Musolf
Deputy Attorney General

114 East. State Capitol
P.O. Box 7857
Madison, WI 53707-7857
608/266-1221

For More Information Contact
Attorney General Don Hanaway
608/266-1221
Assistant Attorney General
Steve Nicks 608/266-2426

For Release
Thursday
March 30, 1989

STATEMENT BY ATTORNEY GENERAL DON HANAWAY

The Wisconsin Public Service Commission has concurred with the Wisconsin Department of Justice's recommendation for further investigation and possible civil proceedings against Wisconsin Bell for alleged violations of PSC rules on marketing of optional residential telephone services.

The PSC decision came after DOJ presented to the PSC a report of a preliminary investigation of Bell. DOJ conducted the preliminary investigation.

The PSC asked our department in August of 1988 to investigate allegations that, among other matters, Wisconsin Bell was packaging optional services, such as touch-tone or call-waiting, with its basic rate in a manner not allowed by PSC rules.

If this practice exists, it could lead to consumers being forced to pay for unwanted or unnecessary phone services.

The state Justice Department's Office of Consumer Protection and Citizen Advocacy interviewed more than 400 Bell customers across the company's service territory from Superior to Kenosha, Madison to Milwaukee and parts between.

The interviews were the most ever conducted in a Department of Justice consumer case and suggest that sufficient grounds exist to continue the investigation.

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STATE OF WISCONSIN
DEPARTMENT OF JUSTICE

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For Release
Thursday
July 27, 1989

MADISON -- Attorney General Don Hanaway announced today the filing of a consent judgment under which Wisconsin Bell has agreed to pay \$1.2 million in civil forfeitures and penalty assessments to the state -- the largest forfeiture in the history of the Wisconsin Department of Justice -- for "packing" optional telephone services onto the bills of unsuspecting residential customers. The complaint alleged violations of both the state's deceptive practices act and various Public Service Commission rules.

Hanaway also said Wisconsin Bell will make full restitution, including 8 percent interest, in a unique consumer honor system refund program.

"Notices in clear language will be mailed by Wisconsin Bell to between 500,000 and 1 million residential customers announcing they can cancel various optional services they did not want or had not ordered and are entitled to a full refund," Hanaway said. "The company also will take out full-page newspaper advertisements to alert the widest number of customers about the restitution program."

He said individual refunds will range from a few dollars to more than \$500, and that customers will decide for themselves whether they have refunds due them.

The services covered in the settlement are Touch-Tone; custom-calling features such as call-waiting, call-forwarding, speed-calling and three-way calling; and optional calling plans such as Value-Visit and Flex-A-Visit.

Hanaway said the alleged violations by Wisconsin Bell were "widespread, frequent and willful."

"Customers were charged for optional services often without being told that such services were optional," the Attorney General said. "Other times, optional services were

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packaged or "bundled" with basic charges in a way that made customers believe they had to buy the optional services or that special savings existed when, in fact, they did not. These abuses were system-wide. We found violations in all Bell service centers in the state and in all areas of Bell's service territory."

According to Hanaway, his investigation disclosed many customers were under the mistaken impression that just because they had push button phones, they needed to pay extra for Touch-Tone service. Many push-button phones work without it.

The restitution program covers a five-year period from July 31, 1983, to July 27, 1988, Hanaway said. Residential customers who had a new or transfer of service order during this period resulting in buying these services will receive a direct notice from Bell. The newspaper ads are designed to reach people who were customers, but currently are not.

There will be, in addition, a "catchup" restitution program for about 13,000 Bell customers who have already cancelled certain services in response to a service itemization Bell did in its October 1988 bills, Hanaway said. These customers will also be given the opportunity to reevaluate whether they want to continue Touch-Tone service.

"The cost of the forfeiture, penalty assessment, administering the refund program, the refunds themselves and defense of the suit, will not affect Wisconsin Bell ratepayers," Hanaway said. "The entire cost will be borne by the company's shareholders."

The settlement was the result of one of the most extensive investigations ever conducted by the Wisconsin Department of Justice, Hanaway said. He said over 400 Bell customers across the company's service territory were interviewed from Superior to Kenosha, from Marinette to Hudson, from Stevens Point to Madison. Thousands of pages of documents were reviewed, he said.

The Wisconsin Public Service Commission asked for the Attorney General's investigation in August of 1988. Hanaway noted that the request was made to the Public Service Commission by the Citizen's Utility Board, and he commended CUB for bringing the matter to the attention of the PSC.



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For Release
Friday
Feb. 9, 1990

MADISON -- Attorney General Don Hanaway said today he is "very pleased" that 37,000 customers of Wisconsin Bell have received or will soon receive \$3.5 million in refunds from the restitution program the utility was ordered to conduct after an investigation by the Wisconsin Department of Justice.

Bell also was ordered to pay a \$1.2 million penalty -- the largest forfeiture in state history. All costs will be borne by the Wisconsin Bell shareholders, not the ratepayers, Hanaway said.

"Even though the restitution figures are not final, the program worked," Hanaway said. "The average refund was \$94. Wisconsin Bell knew it made a mistake, and paid for it. The company was cooperative. It did all we asked in making its customers whole."

Hanaway obtained a consent judgment in 1989, and the refunds were ordered after Bell was found to have violated the state's deceptive practices act and Public Service Commission rules by packing optional telephone services onto the bills of residential customers who did not know they were getting the services or could not use them.

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Bell was ordered to contact all eligible customers (about 600,000) with letters about the refund program and purchase full-page newspaper advertisements to reach former customers.

The services covered in the restitution program are Touch-Tone; custom-calling features such as call-waiting, call-forwarding, speed-calling and three-way calling; and optional calling plans such as Value-Visit and Flex-A-Visit.

"Touch-Tone was the main problem," Hanaway said, "and the company has changed its sales practices."

The restitution program covered a five-year period from July 31, 1983, to July 27, 1988.

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By Mr. Shannon, a petition (accompanied by bill, Senate, No. 429) of Charles E. Shannon, Michael W. Morrissey, Vincent P. Ciampa, Bruce E. Tarr, Dianne Wilkerson and Timothy J. Toomey, Jr., for legislation to protect consumers from the unauthorized switching of long-distance telephone service providers. Government Regulations.

The Commonwealth of Massachusetts

In the Year One Thousand Nine Hundred and Ninety-Seven.

AN ACT TO PROTECT CONSUMERS FROM THE UNAUTHORIZED SWITCHING
OF LONG-DISTANCE TELEPHONE SERVICE PROVIDERS.

Be it enacted by the Senate and House of Representatives in General Court assembled, and by the authority of the same, as follows:

1 Chapter 93 of the General Laws, as appearing in the 1994
2 Official Edition, is hereby amended by adding at the end thereof
3 the following new sections:—

4 Section 1. Definitions.

5 The following words shall have the following meanings:

6 "Letter Of Agency" ("LOA") means a document meeting the
7 form and content requirements of 47 CFR 64.1150.

8 "Interchange Carrier" ("IXC") means a long-distance telephone
9 service provider.

10 "Local Exchange Carrier" ("LEC") means a local service
11 provider.

12 Section 2. Complaint Procedure.

13 (a) Either a customer or an IXC may initiate a complaint that a
14 customer's IXC has been switched without the customer's prior
15 authorization.

16 (b) The customer or IXC shall file the complaint within sixty
17 (60) days after the statement date of the notice indicating that the
18 consumer's IXC has been switched.

19 (c) The customer of IXC shall file the complaint with the
20 Department of Public Utilities, for the purpose of this section
21 referred to as the department.